



March 18, 2011

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Docket No. 2010-8-E

Dear Mrs. Boyd:

By letter dated December 14, 2009, Progress Energy Carolinas, Inc. ("PEC") notified the Commission that on October 22, 2009 the North Carolina Utilities Commission ("NCUC") granted PEC a certificate of public convenience and necessity to construct a 950-megawatt ("MW") combined cycle natural gas-fired electric generating facility at PEC's Lee Plant site in Wayne County. PEC explained that upon completion of the new facility, PEC will permanently cease operation of the three coal-fired generating units that are presently in operation at the Lee Plant site, and on or before 2017, PEC will retire its Cape Fear and Weatherspoon coal units.

In PEC's 2010 Integrated Resource Plan filed with the Commission in Docket No. 2010-8-E, PEC indicated that it had revised the proposed retirement date of the Weatherspoon and Cape Fear coal units to the end of 2014. The purpose of this letter is to advise the Commission that PEC has determined that the Weatherspoon coal units should be retired on October 1, 2011. As described in PEC's letter to the Commission dated December 14, 2009, regarding the Lee, Sutton, Cape Fear and Weatherspoon coal units, the Weatherspoon units will be retired in accordance with the procedures for normal retirements of electric plant. PEC intends to complete a new depreciation study on or before March 31, 2013. The remaining unrecovered balance of the Lee, Sutton, Cape Fear, and Weatherspoon units will be explicitly addressed in that study. Prior to filing the study with the Commission, PEC will consult with the Office of Regulatory Staff regarding the appropriate amortization period to use for that unrecovered balance.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'Len S. Anthony', written over a light blue horizontal line.

Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

LSA:mhm

cc: Office of Regulatory Staff

STAREG1424

Progress Energy Service Company, LLC
P.O. Box 1551
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